

PRESS RELEASE
November 10, 2014
For Immediate Release

**Hundreds of Taxi Drivers Gather at City Council Vote
to End Underground Economy of Permits**

San Diego, CA - Today, hundreds of taxi drivers and United Taxi Workers of San Diego (UTWSD) supporters head to City Council at 1 p.m. to advocate in favor of Councilmember Marti Emerald's proposal to lift the artificial cap on taxi permits.

The current cap of 993 permits prevents competition from new and innovative taxi services, while creating high profits for those fortunate to have received permits nearly three decades ago. The Taxicab Permitting Study by True North Research notes: "Indeed, profit-taking has occurred on a grand scale in San Diego's taxicab permit market." Notably, the permit holders are not losing their permit licenses, and this type of increased, speculative amount earned from trading public property lacks legal protection.

"The current scarcity of permits has allowed for numerous allegations of anti-competitive, collusive practices that inevitably endangers the public because lease drivers consistently feel silenced from speaking out about vehicle safety and dangerous working conditions," states Emily Howe, UTWSD Legal Director. "Lifting the cap intends to reduce intimidation exerted by a small few and permit the taxi industry to compete against ride-share apps."

Lease drivers anticipate numerous projected benefits such as freedom of speech and improved safety protections:

"Drivers currently drive 12 to 16-hour shifts. Removing the cap will increase safety in the industry and in our neighborhood because drivers will not be tied to arbitrarily high rates and be able to spend more time with their families," says United Taxi Workers President, Mikail Hussein.

Lease drivers will be able to afford the newly released permits because an entrepreneur can start a taxicab company with a small initial investment. Many drivers already work as businessmen, merely leasing the right to work and rent the permits at high costs exceeding \$515 per week. Nearly 90% of the industry's lease taxicab drivers often bear the costs of tools, equipment, and supplies, while the majority of permit holders do not drive. By lifting the cap, the take-home income will increase because the drivers will no longer be subject to the tightening noose of arbitrarily high leases and will be enabled to compete in a modern economy.

Anticipated benefits include reduced fares, improved service quality, as competition encourages taxi drivers to provide friendly reliable service and clean vehicles, innovations such as shared-ride markets and special services for the disabled, elderly and low-income residents, creating market niches where none had existed. As prices fall and quality improves, customers have increased demand for taxi services.

"Deregulation, in this case, promotes an entrepreneurial principle to earn an honest wage by allowing taxi drivers the right and ability to manage their own businesses," explained Sarah Saez, UTWSD Program Director. "The City of San Diego should vote in favor of a more open permit system. The open entry system would help improve the lives of the drivers, increase the competitiveness of San Diego's taxis, improve economic opportunity and working conditions of taxi drivers, and improve safety and convenience for consumers."

Founded in 2009, a core group of taxi drivers formed United Taxi Workers of San Diego to advocate for more equitable and improved working conditions in the taxi industry.

###